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SUBJECT: THE LEADER OF IRAQ'S ASPIRING, BUT STILL UNLAWFUL,
OIL WORKERS UNION

Classified By: Economic Counselor John Carwile for reasons 1.4 (b) & (d).

1. (C) During an October 24-26 trip to Basra to assess Iraq's southern oil and gas facilities (septsels), emboffs met with the leader of a group aspiring to represent Iraq's oil workers. (Note: At the moment, unions are illegal in Iraq. End note) Hassan Jum,ah Al-Asadi, the apparently self-appointed leader of the nascent oil workers' union (the Iraqi Federation of Oil Union), struck a moderate -- but concerned -- tone in discussing the expected implementation of the BP/CNPC contract for the Rumaila oil field (septel). Although Hassan's group was established in 2003 after Operation Iraqi Freedom, it continues to experience startup challenges. Hassan has a staff of eighteen and is reaching out to international support and advisory organizations.

2.(C) Though the Iraqi Federation of Oil Union has reportedly never held an election, Hassan presents himself as the sole spokesperson for oil sector workers in Iraq. He meets with union representatives in neighboring countries and recently attended the AFL-CIO Convention in Pennsylvania. Hassan claimed a voluntary membership of 26,000, all of whom -- he said -- had signed paperwork requesting membership. Hassan claimed that his membership represented over 50 percent of local oil and petrochemical industry workers. (Note: There are separate unions for engineers and scientists. End note). Post has been unable to verify the legitimacy of Hassan as a union leader, but PRT Basra officers report that he has no official standing and is little respected by local leaders. This view was echoed separately by both by the Director General of South Refinery Company, Theair Ebrahim Jaber, and the Director General of the Southern Oil Company, Dheyaa Jafar, who each told econoffs and PRToffs that he does not know Hassan and has no dealings with his organization.

13. (C) Hassan told us that he welcomes the expected benefits that the BP/CNPC contract would bring to Iraq, but is concerned that the contract would only re-employ (the Oil Ministry,s) South Oil Company workers and not increase local employment. (Comment: Oil Ministry officials have indicated that the BP/CNPC contract will likely lead to re-employing existing workers. End Comment). Hassan also stated that he wants salary increases for oil workers to ensure equal pay with foreign workers imported by BP/CNPC. He also wants BP/CNPC to provide various grant-based projects, including improving public services such as electricity generation, education, and healthcare. (Comment: BP is currently considering how it will conduct social outreach and corporate social responsibility programs. End Comment.)

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